

State of California  
Business, Transportation and Housing Agency  
Department of Housing & Community Development  
Divisions of Codes & Standards  
Occupational Licensing Program

# **OCCUPATIONAL LICENSING**

## **Information Booklet**



<http://www.hcd.ca.gov/codes/ol>

Revised: April 2006

# **OCCUPATIONAL LICENSING Information Booklet**



**Arnold Schwarzenegger, Governor**

**Sunne Wright McPeak, Agency Secretary  
Business, Transportation and Housing Agency**

**Lynn L. Jacobs, Director  
Department of Housing and Community Development**

**Kim Strange, Deputy Director  
Division of Codes and Standards**



## TABLE OF CONTENTS

	Page
Introduction .....	1
Types of HCD OL Licenses .....	2
HCD OL License Eligibility .....	3
Application Verification Requirement .....	4
Background Investigation Requirement .....	4
Educational Prerequisites for HCD OL Licenses .....	5
HCD OL License Examination.....	6
Preparing for the Dealer and Salesperson Examination.....	7
Examination Locations and Where to Obtain Application Forms.....	7
Application Requirements .....	8
Time Required for Processing Applications.....	9
Temporary Permits.....	9
Common Causes for Application Processing Delays and Rejections.....	9
Additional Information.....	9



## **INTRODUCTION**

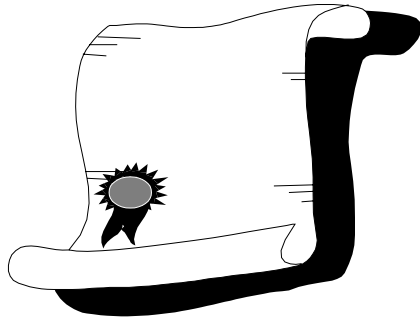
This booklet is provided by the Department of Housing and Community Development (HCD), Division of Codes and Standards to provide basic information about the requirements for issuing HCD Occupational Licenses (OL).

The stated requirements are based on the statutes (laws) and regulations in effect at the time this booklet was printed. Should any of the information stated herein become superseded by changes to the laws or regulations, the information in this publication is superseded.

The HCD OL requirements discussed throughout this booklet pertain to the manufacture and sale of manufactured homes (which by definition includes mobilehomes and multi-unit manufactured housing) and commercial modulars, which are defined in Health and Safety Code (HSC) Sections 18001.8, 18007, 18008 and 18008.7 respectively. HCD OL licenses are not required for the manufacture or sale of recreational vehicles, special purpose commercial modulars, or factory-built housing which are defined in HSC Sections 18009.3, 18010, 18012.5 and 19971 respectively. The California Department of Motor Vehicles' (DMV) occupational licensing requirements apply to the manufacture and sale of recreational vehicles, park trailers and special purpose commercial modulars.

HCD urges persons applying for an HCD OL license to obtain HCD's *Occupational Licensing Study Guide*, which is available at the HCD Area and District Offices listed on page 7 or on our website at: <http://www.hcd.ca.gov/codes/ol>. The guide contains many of the laws and regulations governing manufactured housing and commercial modulars, including those referenced herein, and are used as the basis for the HCD OL examinations for dealer and salesperson applicants. Note: This procedure is subject to change, if HCD decides to contract with a publishing vendor to produce and sell the OL Study Guide.

You may find the applicable laws at: <http://www.leginfo.ca.gov/calaw.html> and the applicable regulations at: <http://ccr.oal.ca.gov/>. You may also find the laws and regulations at a public law library or the laws and regulations may be purchased from Barclays Law Publisher at <http://www.barclaysccr.com/about.htm>. You can obtain cost information and order publications from Barclay's via their toll free number (800) 888-3600 or you can mail orders to them at P.O. Box 95767, Chicago, IL 60694.



## **TYPES OF HCD OL LICENSES**

Any person in the business of manufacturing, distributing, selling or leasing manufactured homes or commercial modulars shall possess a valid HCD OL license. Licenses are issued to manufacturers, distributors, dealers and salespersons. All licenses are issued for a term of two years. Following is a brief description of the licensee classifications:

### **1. MANUFACTURER** (\$1164 plus a \$13 applicant verification fee if applicable.)

A manufacturer is any person, partnership, corporation, firm or business producing from any location (including outside of California) a manufactured home or commercial modular for delivery to dealers or distributors for sale in California.

### **2. DISTRIBUTOR** (\$1164 plus a \$13 applicant verification fee if applicable.)

A distributor is any person, partnership, corporation, firm or business other than a manufacturer, who sells or distributes new manufactured homes or commercial modulars to dealers.

### **3. DEALER** (\$1164 plus a \$250 MHRF fee and a \$13 applicant verification fee if applicable. The MHRF fee is not collected for applicants selling only commercial modulars.)

A dealer is any person, partnership, corporation, firm or business proposing to purchase new manufactured homes or commercial modulars from a manufacturer or distributor or proposing to induce others to purchase or sell new or used manufactured homes or commercial modulars.

**Exception:** Persons holding a valid real estate brokers license issued by the California Department of Real Estate (DRE) may sell manufactured homes, which have been registered with HCD or have been installed on a foundation system pursuant to HSC Section 18551. Business and Professions Code Section 10131.6 provides additional information on permissible manufactured home sales by real estate brokers.

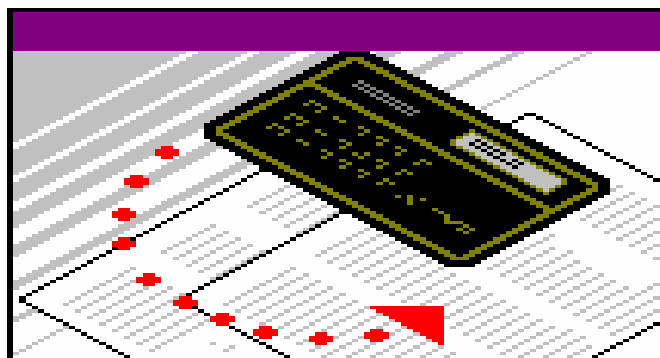
**4. SALESPERSON** (\$219 plus a \$25 MHRF fee and a \$13 applicant verification fee if applicable. The MHRF fee is not collected for applicants selling only commercial modulars.)

A salesperson is any person employed by a dealer to sell, lease, or buy a manufactured home or commercial modular; salespersons induce others to sell, lease, or buy a new or used manufactured home or commercial modular. There are specific activities that do not require a person to obtain a salespersons license. HSC Section 18013 identifies the activities that permit exceptions to the licensing requirement.

**5. 90-DAY CERTIFICATE** (\$134 plus a \$25 MHRF fee and a \$13 applicant verification fee. The MHRF fee is not collected for applicants selling only commercial modulars.)

For persons who wish to try manufactured home sales without first meeting the education and examination requirements, HCD may on a one-time-only basis, issue a 90-day certificate to an applicant for a salesperson's license. This certificate permits the person to exercise the privileges granted by the license, with certain restrictions and under direct supervision by the employing dealer or a designated supervising managing employee, for a period not to exceed 90 days from the date of issuance. They cannot execute any documents, contracts, or listing agreements; or accept any monies in a sale, or lease. The education and examination prerequisites for obtaining a salesperson license must be completed prior to applying for a regular salesperson license.

**Exception:** Persons holding a valid real estate salespersons license issued by DRE and employed by a licensed real estate broker can sell manufactured homes, which have been registered with HCD or have been installed on a foundation system pursuant HSC Section 18551.



## **HCD OL LICENSE ELIGIBILITY**

License eligibility, notwithstanding applicant verification requirements, educational prerequisites and licensing exams, which are explained below, is determined by HSC Sections 18050.5, 18050.7 and 18053, and the applicable regulations.

## **APPLICANT VERIFICATION REQUIREMENT**

In 1996, the U.S. Congress enacted federal legislation known as the Personal Responsibility and Work Opportunity Reconciliation Act. States are required to carry out the provisions of that enactment by assuring that only US citizens and qualified aliens are provided public benefits, which include manufacturer, distributor, dealer and salesperson licenses. Because of that enactment, effective April 6, 1998, all license applicants must first be verified that they are either U.S. citizens or qualified aliens prior to a license prerequisites review. U.S. citizens may submit a copy of their birth certificate, U.S. passport, naturalization certificate, etc. Qualified aliens (typically any lawfully admitted alien who is authorized to work in the U.S.) may submit a copy of their Immigration and Naturalization Service document ("green card," etc.) or their entry point visa stamp on their foreign passport. California Code of Regulations, Title 25, Section 5806(b) defines an applicant as a "person", not a partnership or corporation; therefore, partnerships and corporations are excluded from this requirement. HCD charges a \$13 processing fee for verifying that the applicant qualifies for a public benefit such as a license.



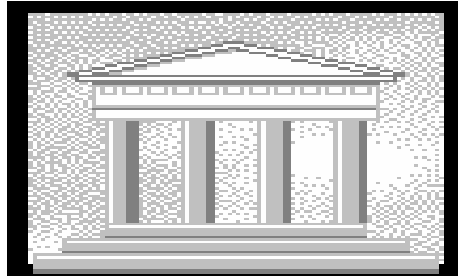
## **BACKGROUND INVESTIGATION REQUIREMENT**

Background investigations are conducted on all applicants to determine eligibility; to protect buyers; and to protect sellers. An applicant's failure to disclose all facts or information as requested on the application forms may result in the refusal to issue a license to the applicant.

Applicants will be required to submit fingerprints through the California Department of Justice (DOJ) live scan fingerprinting program, unless exempted by DOJ to use fingerprint cards. HCD requires a specific form for applicants to use for DOJ's live scan program. If you feel you are exempt (the most common exemption is for out-of-state manufacturers), contact the OL section for additional directions and for fingerprint cards.

Persons with business or personal history irregularities may submit an abbreviated application, as specified in California Code of Regulations, Title 25, Section 5021, in order to learn of their eligibility before complying with the application requirements California Code of Regulations, Title 25, Section 5020.

Note: A Probationary License may be issued in-lieu of a license refusal, if the "irregularity" is isolated; if it is determined that the applicant is rehabilitated; and there appears to be no significant risk for consumers.



## **EDUCATIONAL PREREQUISITES FOR HCD OL LICENSES**

(Must be completed before submitting an application)

### **1. SALESPERSON**

- a. Each person proposing to apply for a salesperson license must have attended an HCD approved six-hour preliminary education program prior to applying for the license examination. Information about approved preliminary education course providers is available at any of the HCD offices listed on page 7 or on our website at: <http://www.hcd.ca.gov/codes/ol>.

At the conclusion of a preliminary education program, the course provider will issue a Certificate of Completion to each person completing the course. The Certificate of Completion is valid for a period of **six months** and must be presented to HCD when applying to take the license examination.

**Exception:** The preliminary and continuing education requirements do not apply to persons applying for a license to sell only commercial modulars. For other exceptions, refer to California Code of Regulations, Title 25, Section 5302.

- b. Applicants shall have arranged for prospective employment with a dealer who must sign the application, indicating their intention to employ the applicant as a salesperson, once properly licensed.

### **2. DEALER**

- a. Each person requesting a dealer license to sell manufactured homes or commercial modulars shall have held a valid salesperson's license issued by HCD for two years out of the five years immediately preceding filing the dealer application, or shall have the equivalent education and/or work experience as specified in HSC Section 18050.7.
- b. Each person that applies for a dealer license to sell manufactured homes shall have attended an HCD approved six-hour preliminary education course prior to applying to take the license examination. Information about approved preliminary education course providers is available at any of the HCD offices listed on page 7 or on our website at: <http://www.hcd.ca.gov/codes/ol>.

At the conclusion of a preliminary education course, the course provider will issue a Certificate of Completion to each person completing the program. The Certificate of



Completion is valid for a period of **six months**, and must be presented to HCD when applying to take the license examination.

**Exception:** The preliminary education requirement does not apply to persons applying for a license to sell only commercial modulars. For other exceptions, refer to California Code of Regulations, Title 25, Section 5302.

- c. The applicant shall possess an established place of business that complies with all requirements of HSC Section 18045.5 and California Code of Regulations, Title 25, Section 5013. The place of business shall have an office and be in compliance with local construction standards and zoning regulations.

### 3. MANUFACTURER

Though no educational prerequisites are required for a manufacturer license, applicants must possess an established place of business that complies with all requirements of HSC Section 18045.5 and California Code of Regulations, Title 25, Section 5012. The place of business shall have an office and a manufacturing area that complies with local conditions and zoning regulations.

Note: Prior to licensing and the construction of their structures, manufacturers of commercial modulars, special purpose commercial modulars, factory-built housing and multi-unit manufactured housing units must obtain the services of two types of HCD certified “Third Party” agencies. The two types of agencies are known as a Design Approval Agency and Quality Assurance Agency. Manufacturers of manufactured homes must obtain the services of an approved design approval inspection and production inspection agency certified by the U. S. Department of Housing and Urban Development (HUD).

You can obtain additional information about manufacturer requirements and third party agencies at: <http://www.hcd.ca.gov/codes/mhp/>



## **HCD OL LICENSE EXAMINATION**

Before an application for a manufactured home or commercial modular dealer or salesperson’s license will be accepted for processing, applicants must successfully complete a manufactured home or commercial modular examination. The successful completion of the examination is valid for a period not to exceed **six months**.

Examinations consist of multiple choice questions based on the California laws and regulations governing the sale of manufactured homes and commercial modulars. Applicants for a dealer’s

license pay \$110 for the exam and are permitted 120 minutes to complete 75 questions. Applicants for a salesperson license pay \$86 for the exam and are permitted 90 minutes to complete 50 questions. There is no limit on the number of times an applicant may attempt an examination, but a fee will be charged for each examination taken. A minimum score of 70 percent is required to pass the examination.

Referring to the study guide or notes, or the taking of notes, is not permitted during the examination. Using cell phones or discussing the exam with other exam applicants, customers or non-HCD staff is not permitted during the exam. Anyone found cheating while taking the exam will be automatically failed. Once the examination answer sheet has been corrected, review of the examination booklet or the answer sheet is not permitted.

The examination may be taken Monday through Friday during specific times, except state and federal holidays, at any of the offices listed below. Please contact the office where you wish to take the examination at for an appointment.

## **PREPARING FOR THE DEALER AND SALESPERSON EXAMINATION**

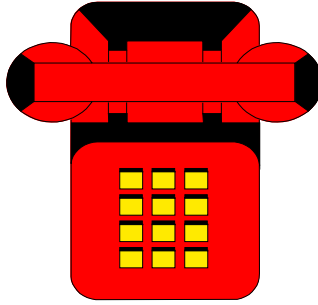
The examination questions are based on HCD's *Occupational Licensing Examination Study Guide* which consists of applicable portions of the various laws and regulations governing manufactured home and commercial modular sales. The "OL Study Guide" may be purchased for \$29 at any of the HCD offices listed below or by mail from the Occupational Licensing Office at P.O. BOX 31, SACRAMENTO, CA 95812-0031 or may be downloaded free from our website at: <http://www.hcd.ca.gov/codes/ol>. Note: This procedure is subject to change, if HCD decides to contract with a publishing vendor to produce and sell the OL Study Guide.

### **EXAM LOCATIONS AND WHERE TO OBTAIN APPLICATION FORMS**

		<b><u>Test Times</u></b>
<b>La Mesa</b> (San Diego)	(619) 645-2960	
7777 Alvarado Road, Suite 302	La Mesa, CA 91941	9am – 2:30pm
<b>Redding</b>	(530) 224-4815	
2986 Bechelli Lane, Suite 201	Redding, CA 96002	9am – 2:30pm
<b>Riverside</b>	(951) 782-4431	
3737 Main Street, Suite 400	Riverside, CA 92501	8:30am – 2:30pm
<b>Sacramento</b>	(916) 255-2532	
9342 Tech Center Drive, Suite 550	Sacramento, CA 95826	9am – 2:30pm
<b>San Jose</b>	(408) 277-1211	
100 Paseo de San Antonio, Room 306	San José, CA 95113	9am – 2:30pm
<b>San Luis Obispo</b>	(805) 549-3373	
3220 South Higuera, Room 103 B	San Luis Obispo, CA 93401	9am – 2:30pm
<b>Santa Ana</b>	(714) 558-4974	
2000 E. 4 <sup>th</sup> Street, Suite 304	Santa Ana, CA 92705	9am – 2:30pm
<b>Winnetka</b> (Los Angeles)	(818) 717-5267	
20201 Sherman Way, Suite 106	Winnetka, CA 91306	9am – 2:30pm

#### **Important Note:**

It is recommended that an appointment be made with the appropriate office to take an exam. Space is limited and appointments will take priority over walk-in applicants.



Please call the HCD office most conveniently located to you and make an examination appointment. OL application forms and the *OL Study Guide* may also be obtained from:

Department of Housing and Community Development  
Division of Codes and Standards  
Occupational Licensing Section  
P.O. Box 31  
Sacramento, CA 95812-0031  
Telephone No. (916) 323-9803  
Website - <http://www.hcd.ca.gov/codes/ol>

## APPLICATION REQUIREMENTS

Forms, applications and fees necessary for applying for an HCD OL license are specified in California Code of Regulations, Title 25, Sections 5020 and 5040. In addition to the application requirements specified in California Code of Regulations, Title 25, Section 5020 and Health and Safety Code Section 18070.1 requires that before a new or renewed license is issued, each applicant for a dealer's or salesperson's license to sell manufactured homes shall pay a one time fee (\$250 for dealers and \$25 for salespersons) for deposit into the Manufactured Home Recovery Fund (MHRF).

The MHRF allows buyers, sellers, and investors to recover a financial loss associated with the purchase or sale of a manufactured home.

**Exception:** The MHRF fee does not apply to dealers or salespersons applying for a license to sell only commercial modulars and it does not apply to any manufacturers.

**Note 1:** Applicants will be required to submit fingerprints to the California Department of Justice (DOJ) using a DOJ approved live scan facility, unless approved to use fingerprint cards because there is no live scan facility nearby.

**Note 2:** Section 5020 requires that two facial photographs to be submitted as part of the application. If you do not have photographs meeting the required specifications, the HCD offices listed on page 7 will take the required facial photographs for the fee specified in California Code of Regulations, Title 25, Section 5040 (\$1.50 per photo).

## TIME REQUIRED FOR PROCESSING APPLICATIONS

Within seven days of receipt of an application, HCD's Occupational Licensing Section in Sacramento will review and either accept the application for filing or reject it for being

incomplete or if it contains errors. If there are no issues with the application a Temporary Permit will be mailed to you. If rejected, you will be informed of the deficiencies that must be corrected in order to make the application acceptable for processing.

## **TEMPORARY PERMITS**

120-Day Permit: After an application is accepted for processing, a background investigation is commenced of HCD license records and DOJ criminal records. At this point HCD may issue a temporary permit valid for a period not to exceed 120 days pending the completion of the background investigation. This temporary permit is sent to the applicant by U.S. mail; it is not issued over the counter at any HCD office.

## **COMMON CAUSES FOR APPLICATION PROCESSING DELAYS AND REJECTIONS**

The most common causes for application rejection are:

- a. Incomplete application forms; for example, missing signature(s); not answering all questions; not providing employment history for the number of required years; not providing all requested information about convictions or civil judgments; and not submitting applicant verification documentation if required.
- b. Insufficient education and/or work experience for dealer license applications.
- c. Incorrect fees (the fees in this booklet have been updated to reflect the most current fees as of the time of this printing).
- d. Salesperson applications not signed by the sponsoring dealer.
- e. Fingerprints found by the Department of Justice to be unclassifiable (messy or smeared).

## **ADDITIONAL INFORMATION**

OL forms can also be downloaded online at the web site address below. If more information or clarification is necessary, please call the HCD's OL Program at (916) 323-9803, visit our web site at <http://www.hcd.ca.gov/codes/ol>, or send an email to [ol@hcd.ca.gov](mailto:ol@hcd.ca.gov).

Department of Housing and Community Development  
Division of Codes and Standards  
Occupational Licensing Section  
P.O. Box 31  
Sacramento, CA 95812-0031

